

February 14, 2011

William Clark
President
Association of Legal Professionals
c/o City Attorney's Office
200 E. Santa Clara Street
San Jose, CA 95113

RE: Response to ALP Information Request No. 2

Dear Mr. Clark:

We are in receipt of the Association of Legal Professionals' (ALP) second information request dated February 4, 2011, related to the negotiations on a successor agreement between the City and ALP, which we discussed during our negotiations meeting on Friday, February 11. Below are our responses.

1. "All publicly available compensation information for each unrepresented (Unit 99) employee since January 1, 2005 other than ALP members."

Please see Attachment 1, detailed spreadsheets listing W-2 income for all employees for calendar years 2005 through 2010. The spreadsheets show total cash compensation (base pay, overtime, vacation & sick leave cashouts, and other income) as well as City-paid benefits (Deferred compensation, health & welfare benefits, and city-paid pension contributions),

Please note that ALP was granted formal recognition effective August 20, 2009, and thus ALP-represented members were part of unrepresented Executive Management (Unit 99) until that time. Accordingly, the publicly available compensation information prior to August 20, 2009, would not distinguish ALP from Unit 99 as ALP was not yet in existence.

2. "All records relating to any base pay increase since January 1, 2008, whether as a promotion or within the same classification for any unrepresented (Unit 99) employees other than ALP members."

As we discussed, the City does not understand the relevance of this information to the negotiations between the City and ALP on a successor agreement. An individual employee who receives a "base pay increase" because of promotion either into Unit 99 or within Unit 99 would have received such an increase due to their moving into a classification that may

have a higher rate of pay, and we are unclear how an employee's career ascension impacts members of ALP. Nonetheless, Attachment 1 provides base pay amounts for all Unit 99 members for each calendar year from 2005 through 2010. This information should be responsive to your request.

3. **"All data relied upon to make the statement that "Projected City Retirement Contributions Exceed \$1.7 Billion Over Next Five Years (All Funds) on slide no 26 of presentation found in the Council Presentation Regarding 2nd Tier Retirement Benefits for New Employees (New – January 26th) , including all of the subcomponents of the claimed \$1.7 Billion total in the Table. Please include all sources of the numbers used, calculations, formulas, actuarial assumptions given and any other information relied upon to make the statement."**

Based on our discussions on February 11, we understand this request to seek the basis for the projected retirement increases in the second tier presentation. Please see Attachment 2, "Federated City Employees' Retirement System; June 30, 2010, Actuarial Valuation; Produced by Cheiron; December 2010." Please also see Attachment 3, "City of San Jose Federated Retiree Health Care Plan; June 30, 2010, Actuarial Valuation; Produced by Cherion; January 2011."

4. **"All data regarding the 15.58 percentage shown on slide 37 of the presentation reference above as the City Unfunded Liability Cost for the Federated pension system, including all data showing what portion of the unfunded liability is liability for retired employees and what portion is liability for active employees and what portion is pension related vs retiree healthcare."**

Please see Attachment 2, "Federated City Employees' Retirement System; June 30, 2010, Actuarial Valuation; Produced by Cheiron; December 2010." Please also see Attachment 3, "City of San Jose Federated Retiree Health Care Plan; June 30, 2010, Actuarial Valuation; Produced by Cherion; January 2011."

5. **"Please provide the same data as requested in request no. 4 for the unfunded liability for FY 10-11."**

Please see Attachment 4, "City of San Jose Federated Retiree Health Care Plan, Actuarial Valuation Report, As of June 30, 2009," by GRS. Please also see Attachment 5, "City of San Jose, Contribution Rate Phase In Strategies; Retirement and Retiree Medical Rate Increases Based on the 2009 valuation results," dated March 11, 2010, by GRS.

6. **"Please provide all data used to calculate the difference between base salary and total compensation for the members of ALP in FY 10-11, and FY 11-12. In other words, the data used to calculate the value of benefits and any other costs added to base salary to come up with the City's "total compensation" for ALP members."**

Please see Attachment 6. The attached information was provided to ALP during last year's negotiations. The attached data shows the information the City used to calculate "total compensation" for ALP for FY 10-11.

Regarding FY 11-12, similar information is currently not yet available but we anticipate that it will become available in the next several weeks. The City will provide ALP the information relating to ALP's "total compensation" once it is available.

7. **"Please provide copies of all current outside legal counsel contracts as well as the amount of payments to date under each of the contracts."**

As we discussed, your request has been forwarded to the City Attorney's Office.

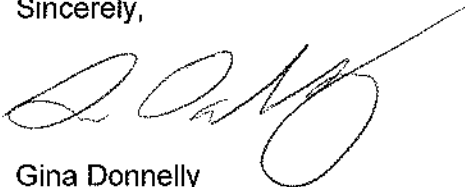
8. **"Please provide copies of all no bid (no competitive process) consultant contracts entered into by the City Manager over \$10,000 since January 1, 2008 as well as the amount of payments to date under each of the contracts."**

During our meeting on February 11, you clarified that this request is limited to those contracts involving a direct engagement with the City Manager's Office (rather than individual departments). We are currently evaluating the size of this request and will get back to you as soon as possible.

9. **"Please provide the following basic data with respect to each retired employee who has worked for the City since January 1, 2008. The date of retirement, the amount of compensation received working since retirement, whether as a rehired retiree, independent contractor consultant, or contract employee."**

Please see Attachment 7 regarding the information we have available involving rehired retirees. Information regarding retired employees who have worked as independent contractor consultant or contract employee with the City since January 1, 2008, and subsequent to their retirement is not readily available.

Sincerely,



Gina Donnelly
Deputy Director of Employee Relations

Enclosures